

CHAPTER 5

UNEMPLOYMENT INSURANCE — EMPLOYER EXPERIENCE TRANSFER — UNEMPLOYMENT TRUST FUND EXPENDITURES

S.F. 70

AN ACT concerning unemployment insurance by providing for the distribution of certain moneys in the unemployment trust fund and the transfer of experience for unemployment insurance tax purposes.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 96.7, subsection 2, paragraph b, unnumbered paragraph 1, Code 1999, is amended to read as follows:

If an enterprise or business, or a clearly segregable and identifiable part of an enterprise or business, for which contributions have been paid is sold or transferred to a subsequent employing unit, or if one or more employing units have been reorganized or merged into a single employing unit, and the successor employer, having qualified as an employer as defined in section 96.19, subsection 16, paragraph "b", continues to operate the enterprise or business, the successor employer shall assume the position of the predecessor employer or employers with respect to the predecessors' payrolls, contributions, accounts, and contribution rates to the same extent as if no change had taken place in the ownership or control of the enterprise or business. However, the successor employer shall not assume the position of the predecessor employer or employers with respect to the predecessor employer's or employers' payrolls, contributions, accounts, and contribution rates which are attributable to that part of the enterprise or business transferred, unless the successor employer applies to the department within sixty ninety days from the date of the partial transfer, and the succession is approved by the predecessor employer or employers and the department.

Sec. 2. UNEMPLOYMENT COMPENSATION PROGRAM — FEDERAL SOCIAL SECURITY ACT FUND CREDITS. Notwithstanding the provisions of section 96.9, subsection 4, to the contrary, moneys credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act for the federal fiscal years beginning October 1, 1999, October 1, 2000, and October 1, 2001, shall be used solely for the administration of the unemployment compensation program. Expenditure of the moneys credited during the applicable federal fiscal years shall not be subject to any provision of law requiring a specific appropriation of that money for the purpose permitted.

Approved March 12, 1999

CHAPTER 6

BANK HOLDING COMPANY ACQUISITIONS — STATE BANK LOANS

H.F. 330

AN ACT relating to the supervisory authority of the state banking division with regard to bank holding company acquisitions and the ability of state banks to make loans to any one person.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 524.544, subsection 1, Code 1999, is amended to read as follows:

1. Whenever any person proposes to purchase or otherwise acquire directly or indirectly any of the outstanding shares of a state bank, and the proposed purchase or acquisition would result in control or in a change in control of the bank, the person proposing to purchase or acquire the shares shall first apply in writing to the superintendent for a certificate of approval for the proposed change of control. The superintendent shall grant the certificate if the superintendent is satisfied that the person who proposes to obtain control of the bank is qualified by character, experience and financial responsibility to control and operate the bank in a sound and legal manner, and that the interests of the depositors, creditors and shareholders of the bank, and of the public generally, will not be jeopardized by the proposed change of control. ~~If the proposed purchaser or acquirer is a bank holding company as defined by section 524.1801, it shall comply with section 524.1804 in lieu of seeking a certificate of approval under this subsection.~~ A person which will become a bank holding company upon completion of an acquisition shall make application to the superintendent for a certificate of approval as provided in this section. Any other bank holding company shall comply with section 524.1804 in lieu of seeking a certificate of approval under this section. In any situation where the president or cashier of a bank has reason to believe any of the foregoing requirements have not been complied with, it shall be the duty of the president or cashier to promptly report in writing such facts to the superintendent upon obtaining knowledge thereof. As used in this section, the term control means the power, directly or indirectly, to elect the board of directors. If there is any doubt as to whether a change in the ownership of the outstanding shares is sufficient to result in control thereof, or to effect a change in the control thereof, such doubt shall be resolved in favor of reporting the facts to the superintendent.

Sec. 2. Section 524.904, subsections 2, 4, and 5, Code 1999, are amended to read as follows:

2. A state bank may grant loans and extensions of credit to one borrower in an amount not to exceed fifteen percent of the state bank's aggregate capital as defined in section 524.103, unless the additional lending provisions described in ~~subsections 3 and 4~~ subsection 3 or 4 applies.

4. A state bank may grant loans and extensions of credit to one borrower not to exceed thirty-five percent of the state bank's aggregate capital if any amount that exceeds the lending limitations described in ~~subsections~~ subsection 2 and or 3 consists of obligations as endorser of negotiable chattel paper negotiated by endorsement with recourse, or as unconditional guarantor of nonnegotiable chattel paper, or as transferor of chattel paper endorsed without recourse subject to a repurchase agreement.

5. A state bank may grant loans and extensions of credit to a corporate group in an amount not to exceed twenty-five percent of the state bank's aggregate capital if all loans and extensions of credit to any one borrower within a corporate group conform to ~~subsections~~ subsection 2 and or 3, and the financial strength, assets, guarantee, or endorsement of any one corporate group member is not relied upon as a basis for loans and extensions of credit to any other corporate group member. A state bank may grant loans and extensions of credit to a corporate group in an amount not to exceed thirty-five percent of aggregate capital if all loans and extensions of credit to any one borrower within a corporate group conform to ~~subsections~~ subsection 2, 3, and or 4, and the financial strength, assets, guarantee, or endorsement of any one corporate group member is not relied upon as a basis for loans and extensions of credit to any other corporate group member. A corporate group includes a person and all corporations in which the person owns or controls fifty percent or more of the shares entitled to vote.

Approved March 18, 1999